

# **The Small Business Investment and Promotion Act**



## **Rewarding Reinvestment by Accelerating Depreciation**

Maine's stature as a popular tourism destination means that its ski areas, coastal villages, lakeside resorts and other communities are home to thousands of restaurants and small shops. It is important that we encourage these businesses to flourish and continue to be an important part of our economy.

Existing tax depreciation rules hinder the ability of these small businesses to reinvest and modernize to stay competitive and attract new customers. Under current law, restaurants and retailers must depreciate most renovations and improvements over a 39 year time period, essentially increasing their upfront costs. These businesses are often renovated every 6 to 8 years in order to keep up with wear and tear.

The Small Business Investment and Promotion Act would ease this unreasonable burden on restaurants and small retailers (those employing 50 or fewer individuals) by permanently lowering the depreciation rate on qualified improvements and renovations from 39 years to 15 years.

By shortening this arbitrary delay in the recuperation of important business improvement expenses, we would make it easier for small business owners to maintain their establishments as shopping and dining attractions for both local residents and visitors.

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